

REMARKS

The final Office Action, rejected claim 28 under 35 U.S.C. § 103(a) as unpatentable over BOWMAN (U.S. Patent No. 5,627,886); and rejected claims 1-3, 5-27, 29-33, and 35-66 under 35 U.S.C. § 103(a) as unpatentable over BOWMAN in view of PHELPS (U.S. Patent No. 5,602,906). Applicants respectfully traverse these rejections.¹

By this Amendment, Applicants propose amending claims 1, 6, 7, 10-13, 17, 22-24, 27, 29, 31, 32, 42, 46, 51, 58, 59, 61 and 64-66 to improve form. Applicants propose canceling claims 28 and 30, without prejudice to or disclaimer of the subject matter thereof. Applicants further propose adding new claim 67 to recite subject matter similar to canceled claims 28 and 30. No new matter has been added by way of the present Amendment. Claims 1-3, 5-27, 29, 31-33, and 35-67 would be pending upon entry of the present amendment.

The Office Action rejected claim 28 under 35 U.S.C. § 103(a) as allegedly unpatentable over BOWMAN. The rejection of claim 28 is moot because Applicants propose canceling claim 28 by this amendment.

Claim 1-3, 5-27, 29, 31-33, and 35-66 stand rejected under 35 U.S.C. § 103(a) as allegedly unpatentable over BOWMAN in view of PHELPS. Applicants respectfully traverse this rejection with respect to the claims as currently amended.

Independent claim 1, for example, is directed to a method for detecting fraud in one of a credit card or debit card system, the system generating network event records, each network

¹ As Applicants' remarks with respect to the Examiner's rejections are sufficient to overcome these rejections, Applicants' silence as to assertions by the Examiner in the Office Action or certain requirements that may be applicable to such rejections (e.g., whether a reference constitutes prior art, motivation to combine references, assertions as to dependent claims, etc.) is not a concession by Applicants that such assertions are accurate or such requirements have been met, and Applicants reserve the right to analyze and dispute such assertions/requirements in the future.

event record being generated in response to an event in the system, the method including performing at least a first fraud detection test and a second different fraud detection test on the network event records; generating a first fraud alarm upon detection of suspected fraud by the first fraud detection-test; generating a second different fraud alarm upon detection of suspected fraud by the second different fraud detection test; correlating the generated first fraud alarm with the generated second different fraud alarm based on common aspects of the first fraud alarm and the second different fraud alarm, the correlated fraud alarms being consolidated into a fraud case, the fraud case being assigned a priority based on a severity of the suspected fraud; and responding to the fraud case with a fraud prevention action, the fraud prevention action being based on the priority assigned to the fraud case. BOWMAN and PHELPS, either individually or in combination, do not disclose the above combination of features.

For example, BOWMAN and PHELPS do not disclose or suggest correlating the generated first fraud alarm with the generated second different fraud alarm based on common aspects of the first fraud alarm and the second different fraud alarm, the correlated fraud alarms being consolidated into a fraud case, the fraud case being assigned a priority based on a severity of the suspected fraud, as recited in claim 1, amended as proposed. The Office Action acknowledges that BOWMAN does not disclose or suggest correlating fraud alarms based on common aspects of the fraud alarms, the correlated fraud alarms being consolidated into a fraud case, the fraud case being assigned a priority based on a severity of the suspected fraud (final Office Action, page 5). The Office Action cites to PHELPS to cure the above deficiency (final Office Action, page 5).

However, PHELPS does not disclose or suggest correlating the generated first fraud alarm with the generated second different fraud alarm based on common aspects of the first fraud

alarm and the second different fraud alarm, the correlated fraud alarms being consolidated into a fraud case, the fraud case being assigned a priority based on a severity of the suspected fraud, as recited in claim 1, amended as proposed. The Office Action cited to col. 2, lines 30-40, col. 2, line 63 – col. 3, line 5, and col. 4, lines 40-50 of PHELPS as allegedly disclosing correlating fraud alarms based on common aspects of the fraud alarms, the correlated fraud alarms being consolidated into a fraud case, the fraud case being assigned a priority based on a severity of the suspected fraud (final Office Action, page 5). Applicants respectfully submit that neither these sections nor any other sections of PHELPS disclose or suggest correlating the generated first fraud alarm with the generated second different fraud alarm based on common aspects of the first fraud alarm and the second different fraud alarm, the correlated fraud alarms being consolidated into a fraud case, the fraud case being assigned a priority based on a severity of the suspected fraud, as recited in claim 1, amended as proposed.

Col. 2, lines 30-40 of PHELPS discloses:

Apparatus 10 receives call placement information and customer information from network 12. This information is used to update the history information stored in apparatus 10. Apparatus 10 generates an indication of unauthorized use of a billing number by applying the call placement and history information to a set of expert system rules. The indication is a case that is generated from an alert and assigned a priority. The case is resolved by a set of expert system rules or a researcher, and network 12 acts on the resolution.

This section of PHELPS discloses an apparatus that generates indications of authorized usage of a billing number by applying call placement and history information to a set of expert system rules. While this section of PHELPS mentions the word “case,” nowhere in this section, or elsewhere, does PHELPS disclose or suggest correlating a first fraud alarm (generated by a first fraud detection test) with a second different fraud alarm (generated by a second different fraud detection test) based on common aspects of the fraud alarms, where the correlated fraud alarms

are consolidated into a fraud case, and where the fraud case is assigned a priority based on a severity of the suspected fraud, as recited by claim 1, amended as proposed.

Col. 2, line 63 – col. 3, line 5 of PHELPS states:

SCPMS 44 processes call attempt information and produces alerts that are provided to SCPMS gateway 18. These alerts are generated for LEC and IXC calling cards only when the number of attempts to use a calling card exceeds a predetermined threshold. The threshold is dependant in part on the type of product and the geographic dispersion of the call origination points. SCPMS gateway 18 analyzes the alerts based on a set of expert system rules for the detection of fraudulent call activity, and generates alerts based on the SCPMS alerts to send to central computer 20 for further analysis.

In this section, PHELPS discloses that a SCPMS gateway generates alerts when attempts to use a calling card exceed a predetermined threshold. Nowhere in this section, or elsewhere, does PHELPS disclose or suggest correlating a first fraud alarm (generated by a first fraud detection test) with the second different fraud alarm (generated by a second different fraud detection test) based on common aspects of the fraud alarms, where the correlated fraud alarms are consolidated into a fraud case, and where the fraud case is assigned a priority based on a severity of the suspected fraud, as recited by claim 1, amended as proposed.

Col. 4, lines 40-50 of PHELPS states:

The expert system rules are configured empirically on the basis of actual cases of unauthorized billing number usages. With this approach, the rules can be continuously updated and refined to reflect learning experiences concerning newly detected cases of toll fraud, and customized for each type of billing number. Thus, those skilled in the art will appreciate that the rules are not fixed, but are continuously evolving in order to adapt to the most current conditions.

In this section, PHELPS discloses that expert system rules may be updated to reflect learning experiences concerning newly detected toll fraud. Nowhere in this section, or elsewhere, does PHELPS disclose or suggest correlating a first fraud alarm (generated by a first fraud detection test) with the second different fraud alarm (generated by a second different fraud detection test) based on common aspects of the fraud alarms, where the correlated fraud alarms are consolidated

into a fraud case, and where the fraud case is assigned a priority based on a severity of the suspected fraud, as recited by claim 1, amended as proposed.

Claim 1 also recites responding to the fraud case with a fraud prevention action, the fraud prevention action being based on the priority assigned to the fraud case. BOWMAN and PHELPS, either individually or in combination, do not disclose this feature.

The Office Action also acknowledged that BOWMAN does not disclose or suggest responding to the fraud case with a fraud prevention action, the fraud prevention action being based on the priority assigned to the fraud case. The Office Action cited to col. 2, lines 30-40 and col. 2, line 63 – col. 3, line 5 of PHELPS as allegedly disclosing the above feature (final Office Action, page 5). Applicants respectfully disagree with the Examiner's interpretation of PHELPS.

Col. 2, lines 30-40 of PHELPS, as reproduced above, discloses an apparatus that generates indications of authorized usage of a billing number by applying call placement and history information to a set of expert system rules. While this section of PHELPS mentions the word "case," nowhere in this section, or elsewhere, does PHELPS disclose or suggest responding to the fraud case with a fraud prevention action, the fraud prevention action being based on the priority assigned to the fraud case, as recited in claim 1.

Col. 2, line 63 – col. 3, line 5 of PHELPS, as reproduced above, discloses that a SCPMS gateway generates alerts when attempts to use a calling card exceed a predetermined threshold. Nowhere in this section, or elsewhere, does PHELPS disclose or suggest responding to the fraud case with a fraud prevention action, the fraud prevention action being based on the priority assigned to the fraud case, as recited in claim 1.

For at least these reasons, Applicants submit that claim 1 is patentable over BOWMAN and PHELPS, whether taken alone or in any reasonable combination. Claims 2, 3, and 5-27 depend from claim 1 and are, therefore, patentable over BOWMAN and PHELPS, whether taken alone or in any reasonable combination, for at least the reasons given with regard to claim 1. Thus, Applicants respectfully request that the Examiner reconsider and withdraw the rejection of claim 1 under 35 U.S.C. §103(a) over BOWMAN and PHELPS.

New claim 67 recites subject matter similar to (yet of possibly different scope than) canceled claims 28 and 30. Accordingly, new claim 67 is discussed below as if the rejections of canceled claims 28 and 30 were applied to it.

New claim 67, for example, recites a system for monitoring one or more of a plurality of credit card or debit card networks, each network being configured to generate network event records, each network event record being generated in response to an event occurring in the network. The system includes a detection element configured to generate a first fraud alarm if a network event record is in violation of a first fraud detection rule, the detection element generating a second different fraud alarm if a network event record is in violation of a second different fraud detection rule, the first fraud alarm and the second different fraud alarm having at least one common aspect; an analysis element configured to correlate the first fraud alarm and the second different fraud alarm, and generate a fraud case based on the correlated fraud alarms; and an expert element configured to assign a priority to the fraud case, and to perform a fraud prevention action in accordance with the priority. BOWMAN and PHELPS, whether taken alone or in any reasonable combination, do not disclose or suggest this combination of features.

For example, BOWMAN and PHELPS do not disclose or suggest a detection element configured to generate a first fraud alarm if a network event record is in violation of a first fraud

detection rule, the detection element generating a second different fraud alarm if a network event record is in violation of a second different fraud detection rule, the first fraud alarm and the second different fraud alarm having at least one common aspect. The Office Action relied on col. 2, lines 25-40 of BOWMAN for allegedly disclosing this feature. Applicants respectfully disagree with the Examiner's interpretation of BOWMAN.

Col. 2, lines 26-39 of BOWMAN discloses:

In the accomplishment of these and other objects, a computerized system and method for detecting fraudulent network usage patterns using real-time network monitoring of at least two disparate networks is shown which receives at least one event record from each of the disparate networks, analyzes each of the received event records to determine its type based on user-defined parameters, identifies predetermined fields in the analyzed event record to be used as keys, measures network usage associated with the key, summarizes usage statistics against at least one of the keys, compares statistic totals to predefined thresholds, and responds with an alarm or the like when the thresholds are met or exceeded.

This section of BOWMAN discloses that a single alarm is generated when statistic totals are compared to and exceed predetermined thresholds. This section of BOWMAN merely discloses that the generation of alarms are based on predetermined thresholds and does not describe a detection element configured to generate a first fraud alarm if a network event record is in violation of a first fraud detection rule, the detection element generating a second different fraud alarm if a network event record is in violation of a second different fraud detection rule, the first fraud alarm and the second different fraud alarm having at least one common aspect, as recited in new independent claim 67. The disclosure of PHELPS does not remedy the above deficiency in the disclosure of BOWMAN.

Claim 67, as proposed, also recites an analysis element configured to correlate the first fraud alarm and the second different fraud alarm, and generate a fraud case based on the

correlated fraud alarms, as recited in new independent claim 67, as proposed. This feature is similar to (yet possibly of different scope than) a feature previously recited in canceled claim 30. The Office Action relied on col. 2, lines 25-40 of BOWMAN for allegedly disclosing the above feature previously recited in canceled claim 30. Applicants respectfully disagree with the Examiner's interpretation of BOWMAN.

Col. 2, lines 26-39 of BOWMAN, as reproduced above, discloses that an alarm is generated when statistic totals are compared to and exceed predetermined thresholds. This section of BOWMAN merely discloses that the generation of alarms are based on predetermined thresholds and does not describe an analysis element configured to correlate a first fraud alarm (generated by a first fraud detection test) and the second different fraud alarm (generated by a second different fraud detection test), and generate a fraud case based on the correlated fraud alarms, as recited in new independent claim 67, as proposed. The disclosure of PHELPS does not remedy the above deficiency in the disclosure of BOWMAN.

For at least these reasons, Applicants submit that claim 67 is patentable over BOWMAN and PHELPS. Claims 29, 31-33 and 35-66 depend from claim 67 and are, therefore, patentable over BOWMAN and PHELPS for at least the reasons given with regard to claim 67, as proposed.

In light of the above, Applicants respectfully request the reconsideration and withdrawal of the 35 U.S.C. § 103(a) rejection of claims 1-3, 5-27, 29, 31-33, and 35-66 as allegedly unpatentable over BOWMAN and PHELPS.

CONCLUSION

In view of the foregoing amendments and remarks, Applicants respectfully request the Examiner's reconsideration of the application and the timely allowance of pending claims 1-3, 5-27, 29, 31-33, and 35-67. Applicants respectfully request entry of the present amendment

because the present amendment does not raise new issues or require a further search of the art since the features were previously examined by the Examiner. Moreover, Applicants submit that the present amendment places the application in better condition for appeal should the Examiner contest the patentability of the pending claims.

If the Examiner does not believe that all pending claims are now in condition for allowance, the Examiner is urged to contact the undersigned to expedite prosecution of this application.

To the extent necessary, a petition for an extension of time under 37 C.F.R. § 1.136 is hereby made. Please charge any shortage in fees due in connection with the filing of this paper, including extension of time fees, to Deposit Account No. 50-1070 and please credit any excess fees to such deposit account.

Respectfully submitted,

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